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C O N F I D E N T I A L CONAKRY 000124

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SENSITIVE

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TAGS: [EFIN](#) [PGOV](#) [EAID](#) [KDEM](#) [GV](#)  
SUBJECT: GUINEA'S MINISTRIES CURRENTLY OPERATING WITHOUT  
BUDGETS

REF: A. CONAKRY 94  
[1](#)B. CONAKRY 119  
[1](#)C. CONAKRY 121  
[1](#)D. CONAKRY 106  
[1](#)E. CONAKRY 122

Classified By: ECONOFF T. SCOTT BROWN FOR REASONS 1.4 (B) AND (D)

[1](#)1. (C) SUMMARY. A reliable contact inside Guinea's Ministry of Finance told Econoff that the ministry has been chronically dysfunctional since the departure of MinFin Ousmane Dore in October 2008. The contact also reported that the current military MinFin continued to run the ministry even after being suspended. The CNDD is in the process of conducting wide-ranging audits of all government agencies, and reportedly will not release ministerial budgets until the audits are complete. Continued disorganization at the MoF may impact both elections funding and HIPC debt relief. END SUMMARY.

[1](#)2. (C) On 25 February, Econoff met with Roger Patrick Milimono, special assistant to the Minister of Finance, to discuss the state of the regime's finances and general economic governance in Guinea. Milimono has worked for the MoF for over 11 years, and has shared his insider's perspective with Embassy on a number of prior occasions.

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"SUSPENDED" MINISTER CONTINUED TO RUN FINANCE  
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[1](#)3. (C) Milimono stated that the Minister of Finance, Captain Mamadou Sande, continued to run the ministry after Moussa Dadis Camara, President of the National Council for Development and Democracy (CNDD) suspended him on 7 February (Ref A). Milimono claimed that while "suspended," Sande had simply moved his office from its downtown headquarters to Camp Alpha Yaya, one of the capital city's military bases which currently houses the offices of the CNDD, where he continued to receive reports and sign documents. Dadis formally reinstated Sande on the evening of 23 February.

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MOF STILL DYSFUNCTIONAL  
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[1](#)4. (C) When asked if the ministry has been able to continue operations after the coup, Milimono said that the ministry was dysfunctional even before the military takeover. According to Milimono, the last pre-coup Minister of Finance who replaced reformist MinFin Ousmane Dore, Karamokoba Camara, had installed a tightly-knit cadre of cronies to key positions in the ministry during his two-month tenure. This

group then reportedly sidelined many career civil servants in order to extract bribes or kickbacks from anyone seeking to do business there. As a result of this scheme, Milimono stated that many mid-level bureaucrats and their lower-level subordinates "simply ran out of work to do," and stopped reporting to their jobs.

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AUDITS AND REFORMS BEFORE BUDGET RELEASE  
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15. (C) After CNDD President Dadis Camara appointed a cabinet in January, Milimono said that work in the ministry did not resume because the military junta insisted on a comprehensive audit of all government ministries before releasing their operational budgets. Milimono stated that the CNDD committee on audits is now not only examining the finances of every ministry, but is also planning to propose comprehensive fiscal controls and other reform measures throughout the government to halt embezzlement and corrupt practices. Until these reforms are implemented, Milimono said that the CNDD will not release any ministerial budget, and that absenteeism would likely continue in the meantime.

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REVENUE CONSOLIDATION IS NECESSARY  
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16. (C) Milimono appeared visibly disgusted with the former corrupt practices of the outgoing FM, and broached the topic of the CNDD's recent consolidation of revenue streams before Econoff could ask about it. Milimono said that given the

scale and the depth of graft within the bureaucracy, Dadis Camara's current program of comprehensive audits and reforms are the country's only true option if Guinea wishes to end its culture of corruption. Therefore, Milimono said that the CNDD's recent consolidation of Guinea's major revenue streams (Refs B & C) was part of this comprehensive program and is necessary in the short run to prevent the further theft of government funds.

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REGIME TRIES TO STRIKE PHANTOM WORKERS FROM PAYROLLS  
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17. (C) Milimono denied that the ongoing disorganization and reform process in the MoF was responsible for delayed salary payments to civil servants during the week of 16 February. Instead, he stated that the missed deadline had been due to a government-wide effort to strike phantom workers from payrolls. Milimono cited the several days needed for workers to twice report to payroll officers in person as the principal cause for interruption of regular payments. "It was not due to a lack of funds," he said.

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WHAT WORLD BANK PAYMENT?  
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18. (C) When asked why the January World Bank debt repayment had been delayed (Ref D), Milimono initially said that the CNDD needed time to get a handle on state finances in the wake of the coup, and had to verify the amount of the loan payment. However, Milimono confessed that he has not been intimately involved in the World Bank program, and does not know what it entails. He promised to find this information out and pass it to Econoff later this week.

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COMMENT  
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19. (C) The meeting with Milimono was friendly and open, and he strongly endorsed the CNDD's efforts to root corruption out of Guinea's bureaucracy. Continued dysfunctionality at Guinea's MoF may complicate the GoG's financing for any major project--including elections--in the short term, and the

IMF's vision of providing Guinea with HIPC debt relief in the  
medium term (Ref E). END COMMENT.  
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